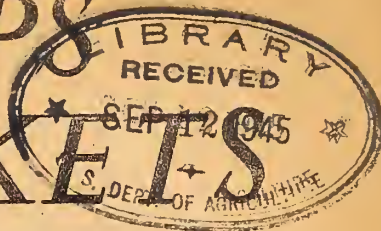


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FOREIGN CROPS and MARKETS



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LATE FOREIGN DEVELOPMENTS

AUSTRALIA: Trade reports continue to indicate a wheat acreage reduction to possibly 9,000,000 acres. With normal yields, this would provide for domestic requirements and a small surplus.

CANADA: Seeding of all grain in the Prairie Provinces is well advanced. On June 8 it was virtually completed in Manitoba. In Saskatchewan wheat seeding had been finished, but about 10 percent of feed grains remained to be sown. In Alberta the season is later than in the other Prairie Provinces, and 5 percent of wheat and 25 percent of feed grains were yet to be seeded on that date. Crops are well rooted in all three Provinces and are generally above ground, but are in need of warm weather.

IRAN: Wheat prospects are now considered excellent. Though sowings were estimated to be about 10 percent below average, higher yields may produce an above-average outturn. (Also see Foreign Crops and Markets, June 7, 1943.)

SWITZERLAND: Grain crops came through the winter in good condition, and both winter and spring seedings are developing satisfactorily.

CUBA: A new factory for the manufacture of mandioca starch will begin operating in July. A regular monthly production of about 150,000 pounds of starch is expected to be available for export.

INDIA: The final estimate for 1942-43 flaxseed production is 16,440,000 bushels from 3,408,000 acres, compared with 14,440,000 bushels and 3,348,000 acres last year.

INDIA: The second forecast for the 1942-43 area of rapeseed and mustard seed is 3,423,000 acres compared with a revised estimate of 3,095,000 acres in 1941-42.

IRELAND: Livestock numbers on January 1, 1943, were as follows, with percentage of 1942 given in parentheses: Total cattle, 3,680,000 (98.7); milk cows and heifers in calf, 1,312,000 (98.0); total hogs, 435,000 (84.3); sows, 46,000 (82.1); and sheep, 1,922,000 (93.4). The percentages on hand this year as compared with 1939 are as follows: Cattle 102.6, hogs 53.0, and sheep 83.8.

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G R A I N S

MEXICO'S 1943 WHEAT CROP REDUCED . . .

The wheat crop now being harvested in Mexico was officially forecast in April at 11,023,000 bushels, according to information received from the American Embassy in Mexico City. At this level, the harvest is indicated to be 30 percent below the large production of 15,826,000 bushels in 1942. Trade estimates at the same time, however, placed the current production at about 12,500,000 bushels. The less favorable crop prospects are the outcome of a considerably reduced acreage and of unfavorable weather conditions in parts of the country.

The acreage for the 1943 crop, placed at 1,236,000 acres, contrasts with the 1942 area of 1,607,000 acres, and is the smallest acreage reported since 1937. Low prices paid producers for wheat in 1942 are said to have discouraged seedings this season, and a considerable shift from wheat to flaxseed, which is relatively more profitable, was reported in parts of the wheat area.

A reduction of about 50 percent in wheat acreage is reported for the Laguna area, indicating only about 85,000 acres for harvest this year. Reductions are also noted in the western States of Sonora and Sinaloa. Stem rust has always constituted a hazard to wheat in this area and a tendency to shift to flaxseed is reported, since use of the same type of machinery is feasible for both crops. Production in this area is said to be only about 50 percent of last year's outturn. In Jalisco the outturn is expected to be only 70 percent of last year's. The crop in the Guadalajara area is estimated to be about 20 percent below the 1942 production, principally because the low price paid to producers last year discouraged wheat seedings for the 1943 crop.

Soil moisture at planting time was reported in general to be less favorable than in the preceding year. Drought conditions near Monterrey made reseeding necessary on about half of the area. The crops of 1939-40 and 1940-41 were reduced about 35 percent by stem rust. At last report no damage to the current crop from rust was indicated, but it was pointed out that the remainder of the growing season was the time of greatest danger. Efforts have been made to import seed wheat which would prove more resistant to stem rust, but the results obtained so far have been described as only fair.

Wheat consumption needs for Mexico are estimated at from about 18 to 19 million bushels. Imports have been necessary to supplement domestic supplies for a number of years, and during the past 5 years have ranged from 330,000 bushels in 1939-40 to an estimated 5,500,000 bushels in 1941-42. Purchases of United States wheat in 1942-43 have been large, and these imports, combined with the near-record crop in 1942, should provide ample supplies for the current season.

Prices of wheat in urban centers rose abruptly during the latter part of 1942 and in early 1943. Sharp price rises were reported in November 1942 and again in March 1943. This was apparently the result of wide speculation in foodstuffs and not related to available supplies. To check speculation, the Government created a new food agency to control distribution and to regulate prices.

Price control of a list of foods, including wheat, flour, and corn, was announced in mid-May. The announcement stated that the Ministry of National Economy would fix wholesale and retail prices of both domestic and imported products. The purpose of the measure was to put a stop to speculation and hoarding and, at the same time, increase production of the commodities on the list.

MEXICO: Acreage, yield per acre, and production of wheat,
1933 - 1943..

Year	Acreage	Yield per acre	Production
	<u>1,000 acres</u>	<u>Bushels</u>	<u>1,000 bushels</u>
1933	1,173	10.3	12,122
1934	1,224	8.9	10,948
1935	1,143	9.4	10,712
1936	1,263	10.8	13,581
1937	1,202	8.8	10,587
1938	1,240	9.6	11,939
1939	1,410	10.5	14,771
1940	1,450	9.2	13,337
1941	1,368	8.6	11,709
1942	1,607	9.8	15,826
1943 <u>a/</u>	1,236	8.9	11,023

Compiled from official sources and reports from the American Embassy at Mexico City.

a/ Preliminary forecast.

EGYPT REPORTS RECORD WHEAT AND BARLEY
ACREAGE FOR THE 1943 HARVEST . . .

The first official estimate of the 1943 wheat and barley acreage in Egypt indicates a substantial increase over that of any other year on record, according to information received in the Office of Foreign Agricultural Relations. The wheat area now being harvested is placed at 1,990,000 acres as compared with 1,636,000 last year and the previous record of 1,655,000 acres in 1927.

The barley acreage, at the estimated 435,000 acres, is about 30 percent larger than the above-average 1942 acreage, and is, like wheat, the largest area recorded. The 1929 area, reported at 401,000 acres, was the previous record.

The increased grain acreage implies the success of the Egyptian Government's announced policy of making a substantial shift from cotton to food crops. The acreage to be seeded to wheat and barley was fixed by the Government in August 1942. See Foreign Crops and Markets, February 14, 1943.

Wheat requirements for 1942 were estimated at 50,000,000 bushels, or about 3,000,000 bushels above normal needs. Achievement of such an outturn in 1943 would require a yield of only 25 bushels per acre on the reported acreage sown. This would be considerably below the average yield of 29.7 bushels per acre during the 10-year period, 1933-1942. Below-average yields would not be surprising in view of the shortage of fertilizer and the delayed irrigation activities reported in the spring.

CHILE'S 1942-43 GRAIN CROPS BELOW AVERAGE . . .

The 1942-43 wheat harvest in Chile is now estimated at 29,984,000 bushels, according to a report from the American Embassy at Santiago. This is slightly above the previous estimate and is about 1,200,000 bushels larger than the 1941-42 outturn, but is still below the average of recent years. Most of the increase in this year's crop is attributed to expanded seedings outside the main wheat area, especially in Atacama and Coquimbo in the extreme north, and Valdivia, Llanquihue, and Chiloe in the far south. Continued dry weather during the harvest period in the latter area is said to have contributed to the good outturn there.

Not only is acreage placed at a slight increase, compared with the previous year, but per-acre yields are indicated to average a little above those of last year. With generally favorable weather for crop development reported for most areas, the chief difficulty experienced is said to have been the shortage of labor available for farm work at prevailing wages.

Barley production in the current year is estimated at 3,135,000 bushels or slightly less than the 1941-42 crop of 3,230,000 bushels, as the result of a decrease in seedings of about 7,000 acres. Oats production, on the other hand, is estimated at 5,901,000 bushels from an acreage increased 30 percent over that of last year. While still below average, the current crop is reported to be above that of the past three seasons.

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C O T T O N - O T H E R F I B E R S

PARAGUAYAN COTTON ESTIMATE REDUCED . . .

More than half of the 1942-43 cotton crop in Paraguay has been picked and ginned, and the new crop is now estimated unofficially as the equivalent of about 25,600 bales of 478 pounds compared with 30,600 bales in 1941-42 and 26,100 reported in 1940-41. The area planted to cotton this year is nearly 110,000 acres, or approximately the same as in the past year; however, the yield is lower, due to a severe and widespread drought during most of the growing season. Only occasional local rains have relieved the situation. Temperatures were quite high during the latter part of the period. This condition caused the plants to mature too quickly for the production of best quality fiber, but the 14,000 bales that already have been ginned are reported to average much better in quality than had been expected.

The Government is offering about one-fourth cent per pound more for this year's cotton than for the preceding crop. A decree issued late in January established the price for special grade seed cotton, delivered at mills at Asuncion and Villetta, at not less than 200 pesos per 10 kilograms (2.73 cents per pound) compared with 180 pesos (2.46 cents) for the preceding crop and 170 pesos (2.32 cents) for that of 1940-41. Planters are being encouraged to continue the growing of cotton in spite of higher costs of production and the relatively good profits from corn crops.

FINAL EGYPTIAN COTTON REPORT . . .

The third and final estimate of the Egyptian cotton crop for 1942-43 is equivalent to 860,600 bales of 478 pounds, of which 440,800 bales are of longer staple varieties. A Government reduction plan caused this year's acreage to be reduced to 729,300 acres, or less than 43 percent of the acreage on which was produced the crop of 1,735,200 bales in 1941-42.

ARGENTINA PICKS SILK COCOONS . . .

The first crop of silk cocoons in Argentina was picked in February of this year and exceeded 6,000 pounds. This crop will supply about 1.4 percent of the normal requirements of the country for one year. A Division of Sericulture was created in April 1942. It has been principally responsible for the planting of 400,000 mulberry trees, which are now growing in many sections of Argentina. Its work in introducing sericulture into Argentina on a commercial basis has been supported both by the governmental authorities and the local textile industry.

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L I V E S T O C K A N D A N I M A L P R O D U C T SARGENTINE HOG PRODUCERS FACED WITH
HIGHER CORN PRICES . . .

Argentine hog producers, who have found conditions very favorable to hog raising since the beginning of the war because of abundant supplies of low-priced corn, are now faced with rising corn prices. Whereas hog prices continue to remain fairly stable at high levels, the price of corn has increased approximately 100 percent since September, so that the hog-corn ratio is now only 7.08 against 14.7 in October 1942, and 20.0 in October 1941. This less favorable hog-feed ratio may check breeding operations. A fair margin of profit is still being realized, however, and is expected to continue either through substitution of other feeds for corn or by some control or adjustment of corn prices.

The circumstances leading up to a rise in the price of corn from 3.00 pesos per 100 kilograms (40 cents per 100 pounds) in October 1942 to 6.17 pesos (83 cents) in February 1943, were a material reduction in reported stocks of corn and unfavorable condition for the growth of the 1943 crop because of the drought. In October 1942 the Ministry of Agriculture reported stocks of corn at 10,184,175 short tons. Then, following rumors of a sharp decrease in stocks, the Ministry announced that an investigation was being made. No estimates of stocks were again published until February 1943, when they were reported to be only 2,321,788 short tons (2,106,312 metric tons). This reduction in stocks, combined with the serious damage to the new 1943 crop as a result of the unprecedented drought, had a tremendous effect on the corn market. The reduction in visible corn stocks may be partly due to the holding by owners for higher prices, but considerable loss is reported through deterioration as a result of poor storage conditions. Unless speculation is checked, the President of the Argentine Swine Breeders asserted in March, many hog raisers may have to sell their hogs at a loss or reduce numbers to the level that can profitably be fed from corn raised on their own farms.

Hog feeders were especially affected by the rise in the price of corn. While some feeders had taken advantage of the low prices to lay in stocks of corn, others found themselves faced with an apparent feed shortage and greatly increased corn prices. Thus many hogs were shipped to market in a poorly finished condition and at lighter weights. In some zones wheat is being fed to hogs, as it can be bought in fair condition at about 4 pesos per 100 kilograms (54 cents per 100 pounds)

Packers estimate a total slaughter of 3,000,000 head in 1943 compared with slightly over 2,000,000 in 1942. Slaughter in the first 3 months of 1943 totaled 645,000 head against 371,000 a year earlier. The number of hogs in Argentina was 5,707,000, according to the census of September 30, 1942, an increase of 15 percent above 1941 and 44 percent above 1937.

Exports of frozen boneless pork for the first 3 months of 1943 amounted to 32,500,213 pounds, an increase of 35 percent above the corresponding period of 1942. Exports of salt pork and other pork products, the total quantity of which is relatively small, also increased. Lard exports for the first 3 months of 1943 totaled 15,553,000 pounds, an increase of 48 percent above a year earlier. Cuba was the principal destination. Stocks are estimated at 5,000 metric tons, at least, most of which is sold and awaiting shipment; about 75 percent of this amount is also destined for Cuba. A large share of Cuba's imports of lard in recent months have been from Argentina, whereas formerly practically the entire amount imported was from the United States.

PROSPECTIVE FEED SHORTAGE IN EASTERN CANADA
MAY CURTAIL HOG PRODUCTION . . .

Livestock production in Eastern Canada is threatened by a prospective shortage of feed next winter unless weather conditions in Ontario and Quebec improve. The winter was one of unusual severity, with snow remaining on the ground until the first of May. Since then, recurrent heavy rains have kept the ground saturated so that it has been impossible to do any seeding. Many consider it already too late to seed oats and barley. They will try to substitute corn, buckwheat, and other later crops, but the supply of seed is short of requirements. Only 25 percent of the small grain had been seeded in Ontario up to the end of May and the percentage in Quebec was believed to be even less. Hog producers have already advised the Canadian Department of Agriculture that no sows will be bred for fall farrowing unless adequate supplies of western feed grains are made available at once.

URUGUAY'S CATTLE LOSSES REACH
ALMOST ONE MILLION HEAD . . .

Uruguay's total losses of cattle as a result of the severe drought that prevailed for the 8-month period, September-April, reached almost 1 million head, according to preliminary census returns of direct losses and estimates of unreported losses and forced slaughter. The final cattle census will not be available for 2 or 3 months.

Meanwhile, preliminary census returns of the Office of Agrarian Economics and Statistics of the Uruguayan Ministry of Agriculture place death losses at 604,000 head. In addition, unreported losses are estimated at 60,400 head and forced slaughterings at another 283,000 head, making 947,000 head in all. The Statistical Office estimates that cows represented slightly over 60 percent of the deaths and calves over 30 percent. The severest losses, estimated at 10 to 15 percent, were reported in the five Departments of Tacuarembó, Artigas, Paysandú, Salto, and Rivera.

Various estimates of losses had been made by different interests in Uruguay prior to the release of the preliminary census returns, and these estimates differed widely. Calculations made by the four freezing companies of Uruguay were materially smaller than those made by the various cattle and rural associations. The highest estimates of deaths from starvation and thirst furnished by the freezing companies were those of Swift of Montevideo (500,000 head), and Frigorifico Anglo (800,000). The other freezing companies, including the National, made lower estimates. The Rural Association and the Association of Cattle Consignees estimated losses at 1,245,000, or 15 percent of the 1937 census of 8,300,000 head, and the Rural Federation estimated losses at 1,669,000 head.

Preliminary census returns give a larger figure for cattle numbers in Uruguay on September 1, 1942, than had generally been estimated up to that time. There was apparently an increase of 14 percent in numbers in the 5 interim years between the 1937 and 1942 censuses. It seems probable that numbers reached the highest level in 1939 or 1940, as wartime slaughter has been large in order to take advantage of the high prices for beef.

Latest estimates indicate that beef production in 1943 will total approximately 485 million pounds from an expected slaughter of 1,113,000 head of cattle. This is a decrease of 3 percent compared with 1942 but about the same as the average for the 5 pre-war years 1933-37. The reduction in meat production in 1942 and 1943 is chiefly due to lighter average dressed weights of cattle as a result of drought conditions. Production in 1941 reached 530 million pounds, or the highest level since 1935, when it was estimated at 540 million pounds. As a matter of fact, the number of cattle slaughtered in 1942 was the same as in 1939, but that year production was a little over 500 million pounds because the average dressed weight was much higher, i.e., 437 pounds against 420 pounds reported for 1942.

URUGUAY: Latest estimate of beef production in 1943,
with comparisons

Year	Slaughter of cattle and calves 1,000 head	Average dressed weights Pounds	Production of beef and veal Million pounds
Average 1933-1937	1,106	442	488
1938	1,175	443	520
1939	1,187	437	520
1940	1,083	438	474
1941	1,133	470	530
1942	1,187	420	498
1943 a/	1,113	436	485

Compiled from official sources. a/ Preliminary forecast.

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G E N E R A L A N D M I S C E L L A N E O U S

WEATHER CONDITIONS IN CONTINENTAL EUROPE
AND NORTH AFRICA, THROUGH MAY 1943 . . .

In general Europe experienced an unusually mild winter. This year the interruption of inland waterway transportation lasted for only a few weeks in January and February compared with a period of December-March in the rigorous winter of 1941-42. Below Braila, traffic on the Danube was suspended the middle of January and resumed from Giurgiu onward February 18. Mild weather in early April was followed by cooler weather near the close of the month. Moisture supplies were fairly satisfactory, although rain would have been beneficial in some sections. Winter crops were well advanced. Seasonal field work had made good progress by the latter part of April, and the bulk of the spring grain had been planted. Winter-kill over the Continent as a whole was light, and the general crop outlook at this time appears to be favorable.

Scandinavia and the Baltic

The winter was exceptionally mild. In January floods were experienced in some parts of Sweden and Denmark, but in general crops came through the winter well. The fodder situation in Sweden was improved by an early spring, and vegetables appeared on the market earlier than usual. Crops were generally in a favorable position in the Baltic after a comparatively mild winter, except in Estonia where some damage was reported. In general, field planting was earlier than in preceding years.

France, Belgium, and the Netherlands

More moisture was needed in France, but for the most part the weather was favorable. Winter crops were in a promising condition and were favored by mild winter and spring weather. In both Belgium and the Netherlands harvest prospects were satisfactory due to the favorable spring season.

Germany

Farmers were helped by an early spring and mild weather, and crop prospects were good. The weather was favorable throughout the entire planting period, and in most places crops were well advanced with prospects for an early harvest.

Soviet Union

The Soviet Union as well as the rest of Europe experienced a mild winter. Dry weather in August and September of 1942 did not provide a sufficient supply of subsoil moisture in the semi-arid regions of the Volga, so that fall sowings were affected adversely. Spring came early. Mild weather prevailed from Rostov north to the central fronts, and officials

were preparing to push spring seeding in the rich Kuban territory of the Caucasus. In early May a shortage of rain was reported in the Ukraine. In the Far Eastern Maritime Province the snowfall of last winter was unusually light; early spring rainfall was below normal, and damage to crops was feared because of dry weather. These apprehensions were somewhat dispelled with the arrival of heavy rains during the first half of May; but because of the lack of subsoil moisture, this season's crops will be more dependent than usual on timely rains.

The Balkans and Turkey

Spring planting in Rumania was backward in some sections due to labor shortages; but winter damage to crops was small, and they were reported to be in very good condition. Some rain fell in the eastern part of Rumania during the last week of May, and in consequence crop prospects were good. Crop possibilities in Bulgaria for the present summer are considered to be good. A severe drought in April caused much anxiety, but abundant rains fell during the first week of May, which restored the crops to good condition. If rains are seasonable through early summer, the harvest will be a good one. Mild weather prevailed in Hungary and Yugoslavia, but rainfall in nearly all districts was much below normal. By April very little snow cover remained except on the high mountains. In most of Hungary the dry weather still persisted in the first part of May and was unfavorable to the crops. Conditions in eastern Hungary were better, due to more rain in that area. In Turkey good rains were reported in late April and early May, and the outlook for a good wheat crop continued to be satisfactory.

Italy, Portugal, and Spain

Italy had a mild winter, with very little rain. In the spring the weather was varied, but the condition of winter crops was generally good. More rain was needed in some areas, and the average temperature exceeded that of April 1942 by 5°. The harvest is now under way in the southern part of the country. Severe storms did serious damage to the olive crop in Portugal during the first half of March, particularly in the Tagus Valley; but a good crop of cereals is expected. In Spain the winter season was very favorable for seeding with plenty of moisture in the soil; germination was even and generally satisfactory. The only complaints were from Andalusia and the Levante, where the amount of rainfall was rather disappointing.

North Africa

With the exception of eastern Morocco, where rainfall was abundant and well distributed, the whole of Morocco felt the effects of dry weather, a few local rains during February being insufficient to relieve the drought. Winds at times were strong and cold, but daytime temperatures were above average. The flow of rivers and springs was less than normal, and storage dams were not refilled.

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